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ABSTRACT

This document contains the text of the Veterans' Education and Training Act of 1994, as amended and reported out of the Committee on Veterans' Affairs with a recommendation for passage. As reported out of committee, the major provisions of the bill are the following: (1) make permanent a flight training program previously established; (2) include facilities on Indian reservations for training; (3) authorize a 2-year pilot program for state-approved, alternative teacher certification programs; (4) clarify that a veteran may enroll in a course approved by the Secretary of Defense offered at an approved institution outside the United States; (5) set requirements for correspondence courses; (6) extend the expiration date of the Veterans' Advisory Committee on Education to the year 2003; (7) increase the maximum amount made available to State Approving Agencies from $12 million to $13 million; (8) increase the level of funding available for veterans' educational and vocational counseling services provided by contract from $5 million to $6 million; (9) require that wages and benefits paid to veterans receiving veterans' training benefits will not be less than benefits paid to other employees participating in similar training programs in the community; and (10) clarify that an eligible individual may begin a program of job training on the day that the notice of approval is transmitted. The document discusses and analyzes each of these provisions and provides a section-by-section analysis of the act. The full text of the act is included. (KC)

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103D CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
103–631, Part I

ED 372 268

VETERANS' EDUCATION AND TRAINING ACT OF 1994

JULY 28, 1994.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 4768, which on July 14, 1994, was referred jointly to the Committee on Veterans' Affairs and the Committee on Armed Services]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4768) to amend title 38, United States Code, to make changes in veterans' education programs, and for other purposes, having considered the same, reports favorably thereon with an amendment, by unanimous voice vote, and recommends that the bill as amended do pass.

The amendment (stated in terms of the page and line numbers of the introduced bill) is as follows:

Page 7, line 19, strike "1993" and insert "1994".

INTRODUCTION

On March 10, 1994, the Subcommittee held an oversight hearing on education programs administered by the Department of Veterans Affairs. Testimony was presented by Mr. John Vogel, Under Secretary for Benefits, Department of Veterans Affairs, accompanied by Ms. Celia Dollarhide, Director, Education Service, and Mr. Dean Gallin, Deputy Assistant General Counsel; LTG Robert M. Alexander, USAF, Deputy Assistant Secretary Military Personnel Policy, Department of Defense; Mr. Frank Rush, Acting Deputy Assistant Secretary for Reserve Affairs, Department of Defense; and representatives from the military services and veterans' organizations.

81–634 cc

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On July 14, the Honorable G.V. (Sonny) Montgomery, Chairman of the Subcommittee on Education, Training and Employment, introduced H.R. 4768, the Veterans' Education and Training Act of 1994, a bill to make changes in veterans' education programs. The provisions in this measure were largely derived from testimony presented and recommendations made by the witnesses at the March 10 hearing. The bill was originally co-sponsored by the Honorable Bob Stump and the Honorable Tim Hutchinson.

The Subcommittee met on July 19 and recommended H.R. 4768 to the full Committee by unanimous voice vote.

On July 21, the full committee approved H.R. 4768 and ordered the measure reported to the House.

SUMMARY OF THE MAJOR PROVISIONS OF H.R. 4768

The reported bill would:

1. Make permanent the program of flight training available under chapter 30, title 38, USC, chapter 32, title 38, USC, and chapter 106, title 10, USC.
2. Include facilities on Indian reservations as a resource to provide training or work experience as part or all of a service-connected disabled veteran's non-pay vocational rehabilitation program.
3. Authorize a two-year pilot program for State-approved, alternative teacher certification programs.
4. Clarify that a veteran may enroll in a course approved by the Secretary and offered by an approved institution of higher learning located outside the United States.
5. Require that correspondence and correspondence-residence courses may be approved only if the educational institution is accredited by an agency recognized by the Secretary of Education, and that 50 percent of such courses require a minimum of 6 months to be completed.
6. Extend the expiration date of the Veterans' Advisory Committee on Education to the year 2003.
7. Increase the maximum amount made available to State Approving Agencies from $12 million to $13 million.
8. Increase the level of funding available for veterans' educational and vocational counseling services provided by contract from $5 million to $6 million.
9. Require that wages and benefits paid to veterans receiving training under the Service Members Occupational Conversion and Training Act of 1992 (SMOCTA) will not be less than benefits paid to other employees participating in similar training programs in the community.
10. Clarify that an eligible individual may begin a program of job training under SMOCTA on the day that the notice of approval is transmitted.

DISCUSSION AND ANALYSIS

FLIGHT TRAINING

Section 2 of the reported bill would establish flight training as a permanent program under the Montgomery GI Bill and the Vet-

erans' Educational Assistance Program (chapter 32, title 38, United States Code).

Public Law 101–237 provided that benefits could be paid for flight training under the Montgomery GI Bill for a period of four years, through September 30, 1994). Similarly, Public Law 102–16 established the availability of flight training under the Veterans' Educational Assistance Program (VEAP) through September 30, 1994.

Because of concerns regarding abuses of the flight training program available under the Vietnam Era GI Bill, P.L. 101–237 required the Secretary of Veterans' Affairs to conduct an evaluation during the test period to determine if flight training prepares those training under certain veterans' education programs for recognized vocational objectives in the field of aviation. The Secretary was further directed to provide the Committees on Veterans' Affairs of the House and the Senate with a report on the evaluation by January 31, 1994. In the positive report entitled, "Study of Vocational Flight Training—Final Report," dated April 28, 1994, the Secretary concluded that, " . . . VA vocational flight training programs provided under the chapter 30, chapter 106, and chapter 32 education benefit programs have financially assisted nearly 1,800 veterans and service persons in taking commercial flight training courses. While a large percentage of these flight training recipients have obtained employment in the field of aviation, a certain population have been the most successful . . . Fifty-six percent of survey respondents reported that they were currently employed in the field of aviation."

In view of VA's conclusion that flight training served basic employment objectives rather than avocational, recreational or personal enrichment goals for the vast majority of trainees, the Committee determined that flight training should be permanently available.

TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

Section 3 of the reported bill would permit the use of Indian reservations for providing training or work experience to service-disabled veterans as part or all of their non-pay, vocational rehabilitation program. Current law (chapter 31, title 38, USC) authorizes such training through federal, state, city and local governments.

During an oversight visit to the National Veterans Training Institute (NVTI), the Committee found that many Indian veterans do not participate in valuable on-job-training because they are not comfortable in traditional work environments. They prefer to work on reservations in order to remain close to their culture. Accordingly, this provision would remove the barrier to their participation in the program by allowing eligible, Native American veterans to utilize non-pay OJT on Indian reservations.

ALTERNATIVE TEACHER CERTIFICATION PROGRAMS

Alternative Teacher Certification programs (ATC), which are administered in many states, are generally designed to enable individuals with a bachelors degree to obtain a teaching certificate by taking an additional 6 to 12 credit hours of college courses and par-

ticipating in a one-year internship as a teacher in a local school district. It was brought to the attention of the Committee by the Honorable Frank Tejeda of Texas that, under current law, individuals participating in ATC programs in Texas may use their GI Bill benefits for the academic portion of the programs but not for the one-year internship training. Section 4 of H.R. 4768 would establish a two-year pilot program during which veterans would be eligible for their GI Bill benefits while pursuing the required internship training under a State-approved alternative teacher certification program.

The Committee believes this is a particularly appropriate time to provide GI Bill benefits for teacher-training programs that offer former service members increased choice and flexibility. One very positive by-product of the recent downsizing of the Armed Forces has been the number of veterans who have chosen teaching as their post-service civilian occupation. The Troops-to-Teachers program, recently established in the Department of Defense, encourages former service members to obtain the necessary credentials and enter the teaching professions. Additionally, local school districts that hire veterans under this program are provided subsidies, thus promoting the placement of former military personnel.

The Texas ATC program and others like it do not fit precisely into the traditional VA categories of program pursuit such as cooperative or on-job training. It is the Committee's view that new and innovative ways to provide education must be made available to veterans who choose to participate in these non-traditional programs. Additionally, because of the uncommon structure of these programs, it was difficult to anticipate veteran interest and participation. The pilot program will provide this Committee and the DVA with the experience and information necessary to evaluate if the program should be made permanent. It is the Committee's expectation that the Secretary will make his recommendations to the House and Senate Committees on Veterans Affairs regarding the continuation of this program and any changes needed to enhance its effectiveness no later than April 1, 1996.

EDUCATION OUTSIDE THE UNITED STATES

Section 5 of the Committee bill, recommended by the DVA, would permit approval for training of certain courses offered by a foreign educational institution but not conducted at the school. Under current law, DVA awards benefits for pursuit of a standard college degree at an institution of higher learning outside the United States when it is pursued solely through traditional classroom instruction. This provision would permit VA to approve degree programs at foreign colleges and universities which offer, as part of the curriculum, nontraditional training away from the school. Courses such as practicums, work-experience, cooperative training, and other work-related courses that lead to a standard college degree could thus be approved. The Secretary would still be prohibited from approving independent study courses offered by foreign institutions unless such courses are accredited by a recognized accrediting association.

CORRESPONDENCE COURSES

Section 6 of the reported bill would require that correspondence and combination correspondence and resident training programs would be eligible for approval only if the educational institution offering the course is accredited by an agency recognized by the Secretary of Education. Section 6 would also require that at least 50 percent of the graduates of these courses take at least six months or longer to complete their studies.

The Committee believes that in the field of correspondence study, the individual student and the federal government would be better served by the added level of consumer protection provided by requiring nationally recognized accreditation for such programs of study. Adopting this provision would also streamline the approval procedure for such courses and save significant amounts of time and effort with no additional expenditures.

The Committee believes that requiring at least 50 percent of the graduates, as opposed to the current 80 percent, to take at least six months to complete their studies, would adequately serve as a disincentive for approving "short courses," designed to take advantage of the program. In the age of on-line computer telecommunications and facsimile technology, it has been demonstrated that worthwhile, vocational courses can be offered to students in significantly less time than two decades ago when the six month provision was enacted to curb "short program" abuses. The 50 percent requirement would permit students to study a number of recently developed technologically-advanced correspondence training programs that are much in demand today. These courses would otherwise be arbitrarily excluded from approval, thereby, needlessly denying useful and convenient educational opportunities to many students.

STATE APPROVING AGENCIES

Section 7 of the reported bill would raise the total amount payable to State approving agencies (SAAs) for reasonable expenses associated with the approval of courses of education for veterans from $12 million to $13 million.

The cap on SAA funding has not been increased since 1989. During that time, however, veteran-related activity at educational institutions has increased 20 percent and veteran-related activity at training establishments has increased 12 percent. The percentage of individuals going to school using their GI Bill benefits has increased more than 40 percent since 1991, and the DVA estimates a 14 percent increase in Montgomery GI Bill users in fiscal year 1995.

Through agreements with the Department, State approving agencies approve courses offered by educational institutions for enrollment by veterans. SAAs also monitor educational programs and establish standards for attendance and training. Clearly, SAA activity and responsibility increase significantly as the veteran-student population grows, and, because of the continuing downsizing of the Armed Forces, the number of individuals using their DVA-administered education benefits will continue to increase. In order to ensure that only high-quality courses continue to be available to

veterans using their DVA educational assistance benefits, the SAAs must be adequately staffed and funded.

This section of the Committee bill would also delete the requirement under current law that the Secretary functionally supervise the provision of course-approval services by SAAs. This provision, which was intended to simplify and clarify the relationship between DVA and SAAs, has instead generated confusion and occasional disarray. Because DVA and SAAs never mutually reached agreement on a clear definition of the phrase "functionally supervise," application and interpretation has been inconsistent from regional office to regional office. It is the Committee's view that DVA/SAA contracts and section 3674A, title 38, USC, make the continuing inclusion of this confusing and disruptive language unnecessary.

VETERANS' ADVISORY COMMITTEE ON EDUCATION

The Veterans' Advisory Committee on Education was established under Public Law 89–358, the Veterans' Readjustment Benefits Act of 1966. The purpose of the Committee was then, and continues to be, to serve as a source of expertise and advice for the Secretary regarding the administration of veterans' educational assistance benefit programs. The Committee also advises and assists Congress by way of reports and recommendations regarding veterans' education issues.

It is the Committee's view that, because the Advisory Committee on Education continues to provide valuable assistance and advice to the Secretary and the Congress, it should be continued. Accordingly, section 9 of the Committee bill would extend the expiration date of the Advisory Committee to the year 2003. This section of H.R. 4768 would also eliminate the Vietnam Era GI Bill (chapter 34, title 38, United States Code, which expired for all purposes on December 31, 1989, from the list of veterans' programs to be considered by the Committee. Section 9 would clarify that the Montgomery GI Bill-Selected Reserve (chapter 106, title 10, United States Code) is a program within the purview of the Committee.

CONTRACT EDUCATIONAL AND VOCATIONAL COUNSELING

Under current law, DVA is permitted to expend up to $5 million from the readjustment benefits account in order to provide contract educational and vocational counseling. Requests for counseling have increased significantly over the past three years, fueled by the downsizing of the Armed Forces and increased awareness of the availability of counseling resulting from DVA's outreach to active duty military personnel and separating service members' participation in the highly-successful Transition Assistance Program (TAP).

Because of the increased interest in counseling, the $5 million cap is inadequate. For example, the Department had to cancel counseling appointments in August and September of fiscal year 1993 to ensure the limitation was not exceeded. The Department estimates that during fiscal year 1994 it will deny the requests of 14,000 veterans for counseling because of the $5 million cap and that the demand for counseling in fiscal year 1995 will again exceed the current cap.

The Committee believes that vocational and educational counseling should be available to those who request it. Accordingly, section 10 of the Committee bill would, effective October 1, 1994, provide an additional $1 million for contract counseling which would enable VA to provide counseling to 3,400 veterans.

SERVICE MEMBERS OCCUPATIONAL CONVERSION AND TRAINING ACT OF 1992

The Service Members Occupational Conversion and Training Act of 1992 (SMOCTA) was enacted as subtitle G of Public Law 102–484. Under current law, DVA may not approve a job-training program for SMOCTA purposes if the program is longer than 18 months. The Committee has learned that this provision eliminates many particularly desirable, technologically advanced, and higher-paying training programs. The Dictionary of Occupational Titles, a Department of Labor publication which describes occupations and the vocational preparation necessary to learn these jobs, provides each position with a specific vocational preparation (SVP) code which is defined as the amount of lapsed time required by a typical worker to learn the techniques, acquire the information, and develop the facility needed for average performance in a specific job-worker situation. For example, a job with a level 3 SVP code generally requires over 1 month up to and including 3 months to learn. Under the current 18-month restriction on training, all jobs with an SVP code of 7 or higher cannot be approved. Accordingly, section 11 of H.R. 4768 would eliminate this restriction.

SECTION-BY-SECTION ANALYSIS

SECTION 2

Section 2 of H. R. 4768 would make permanent VA's authority to approve educational assistance benefits for vocational flight training under chapters 30 and 32 of title 38, and chapter 106 of title 10, United States Code.

Congress added VA's current temporary authority to approve vocational flight training benefits through Public Law 101–237, permitting individuals eligible under the Montgomery GI Bill-Active Duty (chapter 30) and the Montgomery GI Bill-Selected Reserve (chapter 106) to receive such benefits. Similar benefits for vocational flight training under the Veterans' Educational Assistance Program (chapter 32) were added by Public Law 102–16. Both laws provide that vocational flight training assistance will not be paid for a course commencing after September 30, 1994.

The rate of payment of educational assistance is 60 percent of the established charges for a course. Trainees must possess a private pilot license prior to beginning flight training and must meet certain medical requirements. Finally, the flight school courses must meet the Federal Aviation Administration (FAA) standards for such courses and must be approved by the FAA and the appropriate State approving agency.

In addition to establishing flight training benefits, Public Law 101–237 mandated that VA prepare a report to Congress evaluating the utilization and performance of vocational flight training under chapters 30 and 106. Based on the survey findings, it ap-

pears that for the vast majority of trainees vocational flight training courses tend to serve basic employment objectives rather than avocational, recreational and/or personal enrichment goals.

SECTION 3

This section would amend section 3115 of title 38, United States Code, to expand the resources available to VA in providing services to eligible veterans under the chapter 31 vocational rehabilitation program. Specifically, the amendment would authorize as part of a program of rehabilitation the use of nonpay and nominal pay on job training and work experience with any "federally recognized Indian tribe", i.e., any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

As a conforming amendment, section 3108 would also be amended to authorize payment of subsistence allowance at institutional rates for such training or work experience.

Under current law, this program permits VA to use the facilities of Federal, state, and local government agencies to provide on-job training or work experience at no or nominal pay. However, this program does not provide authority for VA to use the facilities of federally recognized Indian tribes for such purposes.

This amendment would increase employment opportunities for service-connected veterans who generally become employed in the position for which they have been trained under this program.

Finally, section 3 contains a technical correction to section 404(b) of the Veterans Benefits Act of 1992, Public Law 102–568, which amended section 3102 of title 38.

Prior to that law, the Omnibus Budget Reconciliation Act of 1990 (OBRA 90) amended section 3102 to restrict vocational rehabilitation entitlement under chapter 31 to veterans who have a service-connected disability compensable at a rate of 20 percent or more, incurred on or after September 16, 1940, and are determined by the Secretary to be in need of rehabilitation because of an employment handicap. This amendment, however, applied only to those veterans who first file a claim for such benefits on or after November 1, 1990. Thus, those veterans with a 10 percent rating who applied before the enactment of OBRA 90 retained entitlement to vocational rehabilitation services and assistance.

Section 404 of Public Law 102–568 reopened entitlement to vocational rehabilitation for veterans having a service-connected disability compensable at a rate of 10 percent, incurred on or after September 16, 1940, provided the veteran also has a serious employment handicap. This provision was made effective on October 1, 1993, but its effect on those veterans who had previously filed chapter 31 claims was unclear.

Consequently, the amendment made by this section of the bill clarifies that those veterans with a compensable service-connected disability rating of 10 percent and a resultant employment handicap who originally applied for assistance under chapter 31 before

November 1, 1990, are not affected by the subsequent OBRA 90 and Public Law 102–568 changes to entitlement criteria.

The effective date for section 3 of this bill is October 29, 1992. (the date of enactment of Public Law 102–568 which the section amends).

SECTION 4

This section amends the definition of "educational institution" found in 3452(c) to include any entity offering training required for completion of a State-approved teacher certificate program. This amendment will enable pursuit of alternative teacher certification programs as a 2-year pilot initiative ending on September, 30, 1996.

In recent years, States have been increasingly interested in helping mature people with bachelor's degrees pursue a second career as elementary or secondary school teachers. To do this, various States have developed plans whereby a student with a bachelor's degree can obtain a teaching certificate by means other than the usual route of earning one in conjunction with earning an undergraduate degree.

Under current law, many of these programs are not approvable for VA purposes because the entities offering them are either school districts or consortia of school districts which do not meet the definition of an educational institution for purposes of the VA administered education benefits programs.

Under this amendment, any entity offering training required for completion of a State-approved teacher certificate program would automatically qualify as an educational institution.

Further, this section contains an amendment clarifying that the definition of "educational institution" found in section 3452(c) applies to chapter 30 as well.

The amendments made by this section would be effective on the date of enactment of the Act.

SECTION 5

This section amends section 3476 of title 38 to permit VA to approve courses leading to a standard college degree offered by foreign colleges and universities outside the United States which include, as part of the curriculum, nontraditional training away from the school. This nontraditional training may include cooperative courses, independent study, work experience, internships, or externships, provided such nontraditional training would be approvable for a stateside school under similar circumstances.

Currently, section 3476 provides that VA educational assistance benefits may only be paid for pursuit of a standard college degree program at a university or college outside the United States; in other words, when pursued solely through traditional classroom instruction at the institution of higher learning.

The amendment made by this provision applies with respect to courses approved on or after the date of the enactment of this Act.

SECTION 6

Section 6 amends section 3672 of title 38 to add a new subsection (e) requiring that correspondence courses and the correspondence portion of correspondence-residence courses may be approved only if the educational institution offering the course is accredited by an agency recognized by the Secretary of Education, and at least 50 percent of those pursuing the course require a minimum of 6 months to complete the course.

This section also contains three conforming amendments. The first amends section 3675 to require a State approving agency to assure that the accreditation requirements of section 3672(e) are met when approving correspondence and correspondence-residence courses; the second eliminates the reference to the period for completion of a correspondence course under section 3680 since such provision has been liberalized and incorporated in new subsection 3672(e); and the third eliminates a reference to nonaccredited course approval for correspondence courses under section 3686(c).

The amendments made by this section are applicable to programs of education exclusively by correspondence and to correspondence-residence courses commencing after 90 days after the date of enactment of this Act,

SECTION 7

Section 7 amends section 3674 of title 38, United States Code, to increase the maximum amount made available each fiscal year to State approving agencies (SAAs) from $12 million to $13 million effective with respect to services provided after September 30, 1994.

This section also eliminates two oversight requirements concerning SAAs that are no longer needed. First, it strikes the requirement that VA make quarterly reports to Congress on the payments made to SAAs for administrative expenses. Second, it eliminates the requirement under section 3674A that VA supervise functionally the provision of course-approval services by SAAs.

SECTION 8

Section 8 amends section 3688(b) of title 38 to clarify that if the training time of courses pursued under chapter 106 of title 10, United States Code, is not defined in 3688(a) of title 38, VA shall define full-time and part-time training for all such courses.

SECTION 9

This section amends section 3692 of title 38 to extend the expiration date of the veterans' Advisory Committee on Education to the year 2003. The current authority for the Committee expires on December 31, 1994. Further, this section clarifies that the educational assistance program under chapter 106 of title 10 is included within the purview of the Committee.

Finally, this section deletes from section 3692 all reference to the chapter 34 program which terminated on December 31, 1989.

SECTION 10

Section 10 amends section 3697 of title 38 to increase the level of funding available from VA's Readjustment Benefits Account for

veterans' educational and vocational counseling services provided by contract from $5 million to $6 million.

This increase would take effect on October 1, 1994.

SECTION 11

Section 11 amends the Service Members Occupational Conversion and Training Act of 1992 (SMOCTA), enacted as subtitle G of Public Law 102–484, in several areas. First, it would amend section 4485(d) to eliminate the requirement that an employer provide job training, under a job training program approved for SMOCTA purposes, for not more than 18 months. The provision, however, continues to limit SMOCTA reimbursement to employers to 18 months.

Second, this section amends section 4486(d)(2) to require that wages and benefits paid to veterans receiving training under SMOCTA will not be less than benefits paid to other employees participating in similar training programs in the community for the entire period of the training. This amendment applies to SMOCTA programs beginning after the date of enactment of this Act.

Third, this section would amend section 4487, governing payment to employers to clarify that, although the period of training under a SMOCTA job training program may exceed 18 months, in no event may payment for such training exceed the amount payable for 18 months of training or the equivalent in training hours. (This reference to equivalency in training hours is expressly inserted in recognition of the fact that numerous training programs are offered which are classified on the basis of training hours in lieu of calendar months.)

Two additional amendments to section 4487 would be made to clarify the employer payment provisions in the case of an eligible person who trains in two or more programs with the same employer. The first of these would provide that an employer may be paid for more than one job training program for the same eligible individual, not to exceed an aggregate amount of $10,000 or, if that individual has a service-connected disability rated at 30 percent or more, $12,000. The second would clarify that the amount of training assistance withheld from payment to the employer would not be payable until the trainee either had concluded 4 months of employment following completion of his or her current program or had completed 18 months of training under that program, whichever occurred.

Finally, section 11 amends section 4488 of SMOCTA to permit an employer to hire an eligible person for a job training program on the same day the employer transmits a notice of such hiring to the SMOCTA implementing official. However, SMOCTA training assistance will not be provided the employer if within 2 weeks after the date on which the notice is transmitted, such official disapproves the eligible person's entry into that job training program.

Prior to this amendment, an eligible person would not be able to begin a program of job training until two weeks after the notice advising the implementing official of the employer's intent to hire the person had been transmitted.

OVERSIGHT FINDINGS

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The following letter was received from the Congressional Budget Office pertaining to the reported bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 26, 1994.

The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4768, as ordered reported by the House Committee on Veterans' Affairs, on July 21, 1994.

The bill would affect direct spending and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 4768.
2. Bill title: The Veterans' Education and Training Act of 1994.
3. Bill status: As ordered reported by the House Committee on Veterans' Affairs, on July 21, 1994.
4. Bill purpose: To make changes in veterans' education programs, and for other purposes.
5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999
Estimated budget authority	4	4	4	4	4
Estimated outlays	4	4	4	4	4

Basis of estimate.—The following section-by-section cost analysis addresses only those sections of the bill that would result in a budgetary impact.

SECTION 2. This bill would allow individuals entitled to educational assistance under the Montgomery G.I. Bill (MGIB) to continue to pursue flight training at approved institutions after October 1, 1994, the current sunset date.

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999
Estimated budget authority	2	2	2	2	2
Estimated outlays	2	2	2	2	2

This estimate is based on previous CBO analyses and VA data regarding the current number of flight trainees. CBO assumed that this bill would not increase the number of servicepersons who chose

to enroll and make contributions to the program. However, the number of current eligibles who use their benefits is estimated to increase by approximately 675 per year through 1999.

SECTION 4. Current law does not allow veterans to use MGIB benefits for teaching certificate programs that are not sponsored through a university. Section 4 would amend the definition of an educational institution under title 38 USC, section 3452(c) to include other State-approved certification programs during 1995 and 1996 only.

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999
Estimated budget authority	*	*	0	0	0
Estimated outlays	*	*	0	0	0

*Less than $500,000.

This provision is estimated to raise the number of trainees by between 150 and 175 per year for 1995 and 1996.

SECTION 7. This section would increase from $12 million per year to $13 million per year the amount provided to State Approving Agencies for reimbursements of their annual inspection, approval, and supervision costs.

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999
Budget authority	1	1	1	1	1
Estimated outlays	1	1	1	1	1

Enactment of this section would result in an increase in both budget authority and outlays of $1 million per year. Because the Readjustment Benefits account, a mandatory spending account, would fund the payments, this provision would increase direct spending.

SECTION 10. This section would increase from $5 million per year to $6 million per year the amount provided for contract educational and vocational counseling.

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999
Budget authority	1	1	1	1	1
Estimated outlays	1	1	1	1	1

Enactment of this section is estimated to result in an increase in both budget authority and outlays of $1 million per year. Because the Readjustment Benefits account, a mandatory spending account, would fund the payments, this provision would increase direct spending.

6. Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. The spending increases that would result from H.R. 4768 would have the following pay-as-you-go impact:

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998
Change in outlays	4	4	4	4
Change in receipts	Not applicable			

7. Estimated cost to State and local governments: None.
8. Estimate comparison: None.
9. Previous CBO estimate: None.
10. Estimate prepared by: Victoria L. Fraider.
11. Estimate Approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 30—ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM

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SUBCHAPTER I—PURPOSES; DEFINITIONS

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§ 3002. Definitions

For the purposes of this chapter—

(1) The term "basic educational assistance" means educational assistance provided under subchapter II of this chapter.

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(8) The term "educational institution" has the meaning given such term in section 3452(c) of this title.

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SUBCHAPTER IV—TIME LIMITATION FOR USE OF ELIGIBILITY AND ENTITLEMENT; GENERAL AND ADMINISTRATIVE PROVISIONS

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§ 3034. Program administration

(a) * * *

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(d)[(1)] The Secretary may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section 3680A(b) of this title) by an individual entitled to basic educational assistance under this chapter if—

[(A)] *(1)* such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation;

[(B)] *(2)* the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

[(C)] *(3)* the flight school courses meet Federal Aviation Administration standards for such courses and are approved by the Federal Aviation Administration and the State approving agency.

[(2) This subsection shall not apply to a course of flight training that commences on or after October 1, 1994.]

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CHAPTER 31—TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

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§ 3108. Allowances

(a) * * *

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(c)(1) * * *

(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal, State, or local government agency *or federally recognized Indian tribe* under the provisions of section 3115(a)(1) of this title without pay or for nominal pay shall be paid the appropriate subsistence allowance rate provided in subsection (b) of this section for an institutional program.

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§ 3115. Rehabilitation resources

(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Secretary may—

(1) use the facilities of any Federal agency (including the Department of Veterans Affairs), or of any State or local government agency receiving Federal financial [assistance,] *assistance or any federally recognized Indian tribe,* to provide training or work experience as part or all of a veteran's vocational rehabilitation program without pay or for nominal pay in any case in which the Secretary determines that such training or work experience is necessary to accomplish such veteran's rehabilitation;

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(4) use the facilities and services of any Federal, State, or other public agency, any agency maintained by joint Federal and State contributions, *any federally recognized Indian tribe,* any public or private institution or establishment, and any private individual.

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(c) As used in this section, the term "federally recognized Indian tribe" means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

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CHAPTER 32—POST-VIETNAM ERA EDUCATIONAL ASSISTANCE

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SUBCHAPTER IV—ADMINISTRATION

§ 3241. Requirements

(a) * * *

(b)**[**(1)**]** The Secretary may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section 3680A(b) of this title) by an individual entitled to basic educational assistance under this chapter if—

[(A)**]** *(1)* such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation;

[(B)**]** *(2)* the individual possesses a valid pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

[(C)**]** *(3)* the flight school courses meet Federal Aviation Administration standards for such courses and are approved by the Federal Aviation Administration and the State approving agency.

[(2) This subsection shall not apply to a course of flight training that commences on or after October 1, 1994.**]**

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CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

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SUBCHAPTER I—PURPOSE; DEFINITIONS

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§ 3452. Definitions

For the purposes of this chapter and chapter 36 of this title—

(a) * * *

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(c) The term "educational institution" means any public or private elementary school, secondary school, vocational school, correspondence school, business school, junior college, teachers' college, college, normal school, professional school, university, or scientific or technical institution, or other institution furnishing education for adults. *For the period ending on September 30, 1996, such term includes entities that provide training required for completion of any State-approved alternative teacher certification program (as determined by the Secretary).*

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SUBCHAPTER III—ENROLLMENT

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§ 3476. Education outside the United States

[An eligible veteran may not enroll in any course at an educational institution not located in a State unless such course is pursued at an approved institution of higher learning and the course is approved by the Secretary.] *An eligible veteran may not enroll in any course offered by an educational institution not located in a State unless that educational institution is an approved institution of higher learning and the course is approved by the Secretary.* The Secretary may deny or discontinue educational assistance under this chapter in the case of any veteran enrolled in an institution of higher learning not located in a State if the Secretary determines that such enrollment is not in the best interest of the veteran or the Federal Government.

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CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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SUBCHAPTER I—STATE APPROVING AGENCIES

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§ 3672. Approval of courses

(a) * * *

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(e) A program of education exclusively by correspondence, and the correspondence portion of a combination correspondence-residence course leading to a vocational objective, that is offered by an educational institution (as defined in section 3452(c) of this title) may be approved only if (1) the educational institution is accredited by an agency recognized by the Secretary of Education, and (2) at least 50 percent of those pursuing such a program or course require six months or more to complete the program or course.

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§ 3674. Reimbursement of expenses

(a)(1) * * *

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(3)[(A)] Each State and local agency with which a contract or agreement is entered into under this section shall submit to the Secretary on a monthly or quarterly basis, as determined by the agency, a report containing a certification of the reasonable and necessary expenses incurred for salary and travel by such agency under such contract or agreement for the period covered by the report. The report shall be submitted in the form and manner required by the Secretary.

[(B) The Secretary shall transmit a report to the Congress on a quarterly basis which summarizes—

[(i) the amounts for which certifications were made by State and local agencies in the reports submitted under subparagraph (A) of this paragraph with respect to the quarter for which the report is made; and

[(ii) the amounts of the payments made by the Secretary for such quarter with respect to such certifications and with respect to administrative expenses.]

(4) The total amount made available under this section for any fiscal year may not exceed [$12,000,000] *$13,000,000*. For any fiscal year in which the total amount that would be made available under this section would exceed [$12,000,000] *$13,000,000* except for the provisions of this paragraph, the Secretary shall provide that each agency shall receive the same percentage of [$12,000,000] *$13,000,000* as the agency would have received of the total amount that would have been made available without the limitation of this paragraph.

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§ 3674A. Evaluations of agency performance; qualifications and performance of agency personnel

(a) The Secretary shall—

(1) * * *

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[(3) supervise functionally the provision of course-approval services by State approving agencies under this subchapter;

[(4)] *(3)* cooperate with State approving agencies in developing and implementing a uniform national curriculum, to the extent practicable, for training new employees and for continuing the training of employees of such agencies, and sponsor, with the agencies, such training and continuation of training; and

[(5)] *(4)* prescribe prototype qualification and performance standards, developed in conjunction with State approving agencies, for use by such agencies in the development of qualification and performance standards for State approving agency personnel carrying out approval responsibilities under a contract or agreement entered into under section 3674(a).

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§ 3675. Approval of accredited courses

(a)(1) * * *
(2)(A) * * *
(B) [A State] *Except as provided in section 3672(e), a State* approving agency may utilize the accreditation of any accrediting association or agency listed pursuant to subparagraph (A) of this paragraph for approval of courses specifically accredited and approved by such accrediting association or agency.

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§ 3680. Payment of educational assistance or subsistence allowances

Period for Which Payment May Be Made

(a) Payment of educational assistance or subsistence allowances to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence, in an educational institution under chapter 31, 34, or 35 of this title shall be paid as provided in this section and, as applicable, in section 3108, 3482, 3491, or 3532 of this title. Such payments shall be paid only for the period of such veterans' or persons' enrollment in, and pursuit of, such program, but no amount shall be paid—

(1) * * *

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(3) to any eligible veteran or person for a course for which the grade assigned is not used in computing the requirements for graduation including a course from which the student withdraws unless—

(A) the eligible veteran or person withdraws because he or she is ordered to active duty; or

(B) the Secretary finds there are mitigating circumstances, except that, in the first instance of withdrawal (without regard to withdrawals described in subclause (A) of this clause) by the eligible veteran or person from a course or courses with respect to which the veteran or person has been paid assistance under this title, mitigating circumstances shall be considered to exist with respect to courses totaling not more than six semester hours or the equivalent thereof; [or].

[(4) to any eligible veteran or person for pursuit of a program of education exclusively by correspondence as authorized under section 3686 of this title or for the pursuit of a correspondence portion of a combination correspondence-residence course leading to a vocational objective where the normal period of time required to complete such correspondence course or portion is less than 6 months. A certification as to the normal period of time required to complete the course must be made to the Secretary by the educational institution.

Notwithstanding the foregoing, the Secretary may, subject to such regulations as the Secretary shall prescribe, continue to pay allowances to eligible veterans and eligible persons enrolled in courses set forth in clause (1) of this subsection—

[(A) during periods when the schools are temporarily closed under an established policy based upon an Executive order of the President or due to an emergency situation;

[(B) during periods between consecutive school terms where such veterans or persons transfer from one approved educational institution to another approved educational institution for the purpose of enrolling in and pursuing a similar course at the second institution if the period between such consecutive terms does not exceed 30 days; or

[(C) during periods between a semester, term, or quarter where the educational institution certifies the enrollment of the eligible veteran or eligible person on an individual semester, term, or quarter basis if the interval between such periods does not exceed 1 full calendar month.]

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SUBCHAPTER II—MISCELLANEOUS PROVISIONS

§ 3686. Correspondence courses

(a) * * *

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(c) In the event a veteran or spouse or surviving spouse elects to terminate such veteran's or spouse's enrollment under an affirmed enrollment agreement, the institution [(other than one subject to the provisions of section 3676 of this title)] may charge the veteran or spouse or surviving spouse a registration or similar fee not in excess of 10 percent of the tuition for the course, or $50, whichever is less. Where the veteran or spouse or surviving spouse elects to terminate the agreement after completion of one or more but less than 25 percent of the total number of lessons comprising the course, the institution may retain such registration or similar fee plus 25 percent of the tuition for the course. Where the veteran or spouse or surviving spouse elects to terminate the agreement after completion of 25 percent but less than 50 percent of the lessons comprising the course, the institution may retain the full registration or similar fee plus 50 percent of the course tuition. If 50 percent or more of the lessons are completed, no refund of tuition is required.

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§ 3688. Measurement of courses

(a) * * *

(b) The Secretary shall define part-time training in the case of the types of courses referred to in subsection (a), and shall define full-time and part-time training in the case of all other types of courses pursued under [this chapter or] *this chapter,* chapter 30, 32, or 35 of this title, *or chapter 106 of title 10.*

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§ 3692. Advisory committee

(a) There shall be a Veterans' Advisory Committee on Education formed by the Secretary which shall be composed of persons who

are eminent in their respective fields of education, labor, and management and of representatives of institutions and establishments furnishing education to eligible veterans or persons enrolled under chapter 30, 32, [34,] or 35 of this [title.] *title and chapter 106 of title 10.* The committee shall also include veterans representative of World War II, the Korean conflict era, the post-Korean conflict era, the Vietnam era, the post-Vietnam era, and the Persian Gulf War. The Assistant Secretary of Education for Postsecondary Education (or such other comparable official of the Department of Education as the Secretary of Education may designate) and the Assistant Secretary of Labor for Veterans' Employment and Training shall be ex officio members of the advisory committee.

(b) The Secretary shall consult with and seek the advice of the committee from time to time with respect to the administration of this chapter and chapters 30, 32, [34,] and 35 of this [title.] *title and chapter 106 of title 10.* The committee may make such reports and recommendations as it considers desirable to the Secretary and the Congress.

(c) The committee shall remain in existence until December 31, [1994] *2003.*

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§ 3697. Funding of contract educational and vocational counseling

(a) * * *

(b) Payments under this section shall not exceed [$5,000,000] *$6,000,000* in any fiscal year.

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SECTION 2136 OF TITLE 10, UNITED STATES CODE

§ 2136. Administration of program

(a) * * *

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(c)[(1)] The Secretary of Veterans Affairs may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section 3680A(b) of title 38) by an individual entitled to educational assistance under this chapter if—

[(A)] *(1)* such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation;

[(B)] *(2)* the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

[(C)] *(3)* the flight school courses meet Federal Aviation Administration standards for such courses and are approved by the Federal Aviation Administration and the Sate approving agency.

[(2) This subsection shall not apply to a course of flight training that commences on or after October 1, 1994.]

SECTION 404 OF THE VETERANS' BENEFITS ACT OF 1992

SEC. 404. VOCATIONAL REHABILITATION FOR CERTAIN SERVICE-DISABLED VETERANS WITH SERIOUS EMPLOYMENT HANDICAPS.

(a) * * *

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993[.], *but shall not apply to veterans and other persons who originally applied for assistance under chapter 31 of title 38, United States Code, before November 1, 1990.*

SERVICE MEMBERS OCCUPATIONAL CONVERSION AND TRAINING ACT OF 1992

DIVISION D—DEFENSE CONVERSION, REINVESTMENT, AND TRANSITION ASSISTANCE

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TITLE XLIV—PERSONNEL ADJUSTMENT, EDUCATION, AND TRAINING PROGRAMS

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Subtitle G—Service Members Occupational Conversion and Training

SEC. 4481. SHORT TITLE.

This subtitle may be cited as the "Service Members Occupational Conversion and Training Act of 1992".

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SEC. 4485. ELIGIBILITY FOR PROGRAM; PERIOD OF TRAINING.

(a) * * *

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(d) PERIOD OF TRAINING.—An employer shall provide a period of training under a program of job training under this subtitle of not less than 6 months [or more than 18 months] in a field of employment providing a reasonable probability of stable, long-term employment.

SEC. 4486. APPROVAL OF EMPLOYER PROGRAMS.

(a) * * *

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(d) CERTIFICATION.—An application under subsection (c) shall include a certification by the employer of the following:

(1) * * *

(2) That the wages and benefits to be paid to an eligible person participating in the employer's program of job training will be not less than the wages and benefits normally paid to other employees participating in the same or a comparable program

of job training[.] *in the community for the entire period of training of the eligible person.*

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SEC. 4487. PAYMENTS TO EMPLOYERS; OVERPAYMENT.

(a) PAYMENTS.—(1)(A) Except as provided in subsections (b) and (c) and subject to section 4485(d), the implementing official shall make payments to employers in accordance with this section. The amount payable to such an employer on behalf of an eligible person with respect to an approved program of job training under this subtitle shall be determined by such official at the beginning of such program. Except as provided in [subparagraph (B)] *subparagraphs (B) and (C)*, that amount shall be equal to 50 percent of the product of (i) the starting hourly rate of wages paid to the eligible person by the employer (without regard to overtime or premium pay), and (ii) the number of hours to be worked by the eligible person during the entire program period *but in no event to exceed 18 months (or the equivalent training hours).*

* * * * * * *

(C) Assistance may be paid under this subtitle on behalf of an eligible person to that person's employer for training under two or more programs of job training under this subtitle if such employer has not received (or is not due) on that person's behalf assistance in an amount aggregating the applicable amount set forth in subparagraph (B).

(b) PAYMENT PERIOD.—(1) * * *

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(3) The implementing official shall withhold 25 percent of each payment due under this subsection with respect to an eligible person. The total amount withheld with respect to an eligible person under this paragraph shall be paid to the employer at the end of the four month period of employment of such person under this subtitle beginning on the date of completion of training, *or upon the completion of the 18th month of training under the last training program approved for the person's pursuit with that employer under this subtitle, whichever is earlier.*

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SEC. 4488. ENTRY INTO PROGRAM OF JOB TRAINING.

(a) IN GENERAL.—Notwithstanding any other provision of this subtitle, the implementing official shall withhold or deny approval of an eligible person's entry into an approved program of job training if such official determines that funds are not available to make payments under this subtitle on behalf of the eligible person to the employer offering that program. Before the entry of an eligible person into an approved program of job training of an employer for purposes of assistance under this subtitle, the employer shall notify such official of the employer's intention to employ that eligible person. [The eligible person may begin such program of job training with the employer two weeks after the notice is transmitted, by means prescribed by such official, to such official unless within that time the employer has received notice from such official that approval of the eligible person's entry into that program of job train-

ing must be withheld or denied in accordance with this section.] *The eligible person may begin such program of job training with the employer on the day that notice is transmitted to such official by means prescribed by such official. However, assistance under this subtitle may not be provided to the employer if such official, within two weeks after the date on which such notice is transmitted, disapproves the eligible person's entry into that program of job training in accordance with this section.*

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